

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)	
)	
Request for Review by AT&T of Decision of)	WC Docket No. 03-109
Universal Service Administrator)	

**COMMENTS OF
QWEST COMMUNICATIONS INTERNATIONAL INC.
IN SUPPORT OF AT&T'S REQUEST FOR REVIEW**

Qwest Communications International Inc., on behalf of its wholly-owned subsidiary, Qwest Corporation ("Qwest"), submits these comments in accord with the Federal Communications Commission's ("Commission") Public Notice and in support of AT&T Inc.'s ("AT&T") Request for Review filed January 7, 2008 in the above-referenced docket.¹ In fact, Qwest has recently filed its own Request for Review of certain Universal Service Administrative Company ("USAC") audit findings including a finding that Qwest is required to complete Line 9 on FCC Form 497 when seeking federal reimbursement for providing Lifeline support to customers who did not receive Lifeline support for the entire month.² Qwest agrees with AT&T's position that the Commission should reverse USAC's erroneous conclusion.

Qwest has been designated as an eligible telecommunications carrier ("ETC") in fourteen states in which it is an incumbent local exchange carrier ("ILEC"). In accord with that designation, Qwest offers and provides discounts on telephone service to eligible low-income customers, and seeks reimbursement for those discounts from the federal universal service low-income program by completing and submitting an FCC Form 497 to USAC each month.

¹ Public Notice, WC Docket No. 03-109, DA 08-855, rel. Apr. 14, 2008.

² Request for Review by Qwest Communications International Inc. of Decision of the Universal Service Administrator, WC Docket No. 03-109, filed Apr. 25, 2008. These comments reiterate Qwest's position on this issue as set out in Qwest's Request for Review.

Like AT&T, Qwest provides pro-rated Lifeline support to customers who start or end Lifeline service during a month. But, Qwest's system for data collection to complete the Form 497 filing each month does not enable identification of these pro-rated amounts such that Qwest could use Line 9 to report those amounts on the Form 497. To capture the number of Lifeline subscribers to be reported on the Form 497 each month, Qwest executes a database query on or near the end of the month to count all of the customer accounts receiving Lifeline service in each state on that date. Thus, this query generally captures all the customer accounts that either initiated Lifeline service or continued the service for that month. It will not capture customers accounts that discontinued Lifeline service in that month. This query does not allow Qwest to identify how many customer accounts initiated or terminated Lifeline service in the month. Based on the information collected from the query, on the Form 497, Qwest claims full-month Lifeline support for the customer accounts captured. Thus, for some subset of those accounts, Qwest is seeking reimbursement for full Lifeline credit amounts where it only provided partial credits to the customers during that month. At the same time, on the Form 497, Qwest claims no Lifeline support amounts for any customer accounts that terminated Lifeline service during the month. Thus, for some group of customers, Qwest is not seeking any reimbursement for Lifeline credit amounts even though it provided partial Lifeline credits to those customers during the month. Over time and large volumes of customers, this process should result in very similar amounts of low-income support being reimbursed to Qwest and provided to Qwest Lifeline customers. In fact, so far, Qwest's analysis of journaled data from customer bills for the last three years indicates that overall Qwest's reimbursements from USAC are less than the federal Lifeline support Qwest has actually provided to its Lifeline customers. Thus, there is nothing to

indicate that either the federal universal low-income support fund or Qwest's Lifeline customers are harmed by this process.

Yet, USAC insists that AT&T and Qwest must complete Line 9 on FCC Form 497 when seeking reimbursement for subscribers who did not receive Lifeline support for an entire month. This interpretation, however, is contradicted by the plain language of the Form 497 instructions for completing the form, by the history behind the instruction language, and by the unwarranted burden of requiring ETCs such as AT&T and Qwest to report partial Lifeline credit amounts in the absence of any cognizable harm to the federal universal service fund or Lifeline customers using the current process.

First, as AT&T has noted, the plain language of the current instructions for completing Line 9 of FCC Form 497 states the following in relevant part:

*If claiming partial or pro-rata dollars, check the box on line 9. Enter the dollar amount (if applicable) for all partial or pro-rated subscribers. Amounts should be reported in whole dollars, and may be either positive or negative, depending on whether there are more new subscribers being added part way through a month or more subscribers disconnecting during the reported month.*³

Clearly, the plain language of the Form 497 instructions does not require that pro-rated credit amounts for partial-month customers be claimed. The plain language of the instructions leaves the decision of whether to claim any partial amounts up to the reporting entity.

Second, as AT&T set out, to date this Commission has considered, but declined to amend the Form 497 to require ETCs to report the number of Lifeline customers receiving Lifeline support for part of a month.

Third, the burden on AT&T and Qwest to capture partial amounts data is not justified. Like AT&T, Qwest would need to completely overhaul its present systems for data collection in

³ FCC 497 Instructions, October 2000 available at: <http://www.universalservice.org/li/telecom/step06/form497-instructions.aspx> (emphasis added).

order to attempt to capture partial amounts. Data on Lifeline customers might need to be captured on a daily basis in order to identify when customers initiated or terminated Lifeline service. Qwest currently has approximately 331,000 Lifeline customers throughout its fourteen-state ILEC region. It is uncertain whether a new system could be designed to sufficiently capture the universe of partial-month customers, capture the appropriate partial amounts, and enable defensible audit controls. And, the significant cost and resources spent would be to achieve an arguably more accurate reporting correspondence with no clear benefit to either the federal universal service program or the Lifeline customers served.

Thus, as AT&T has requested, the Commission should reverse USAC's finding and make clear that an ETC is not obligated to use Line 9 to report partial Lifeline support amounts. The plain language of the Form 497 instructions does not require it; the Commission has previously considered, but not altered the form language or the instructions to require it; and any perceived benefit from requiring reporting of partial amounts is outweighed by the harm of requiring ETCs to implement significant system changes to comply with such a requirement.

Respectfully submitted,

QWEST COMMUNICATIONS
INTERNATIONAL INC.

By: /s/ Tiffany West Smink
Craig J. Brown
Tiffany West Smink
607 14th Street, N.W.
Suite 950
Washington, D.C. 20005
craig.brown@qwest.com
tiffany.smink@qwest.com
(303) 383-6619

Its Attorneys

May 14, 2008

CERTIFICATE OF SERVICE

I, Richard Grozier, do hereby certify that I have caused the foregoing **COMMENTS OF QWEST COMMUNICATIONS INTERNATIONAL INC. IN SUPPORT OF AT&T'S REQUEST FOR REVIEW** to be 1) filed via ECFS with the Office of the Secretary of the FCC in WC Docket No. 03-109; 2) served via e-mail on the FCC's duplicating contractor, Best Copy & Printing, Inc. at fcc@bcpweb.com; and 3) served via e-mail on Ms. Antoinette Stevens, Telecommunications Access Policy Division, Wireline Competition Bureau at antoinette.stevens@fcc.gov.

/s/ Richard Grozier

May 14, 2008